GOVERNMENT OF INDIA
STEEL
LOK SABHA

UNSTARRED QUESTION NO:2399
ANSWERED ON:31.07.2017
Captive Iron Ore Mines for Steel Plants
Kamaraaj Dr. K.

Will the Minister of STEEL be pleased to state:

(a) whether a number of private/public sector steel plants in the country do not have their own captive iron ore mines and if so, the details thereof and the reasons therefor;

(b) whether the cost of production of steel is higher in these plants as compared to those plants which have captive iron ore mines and if so, the details thereof; and

(c) the remedial steps being taken by the Government in this regard?

Answer

THE MINISTER OF STATE FOR STEEL (SHRI VISHNU DEO SAI)

(a)&(b): Yes, Madam. Only few private/public sector steel plants in the country have captive iron ore mines. Steel being a de-regulated sector the role of Government is that of a facilitator only, which lays down the policy guidelines and establishes the institutional mechanism/structure for creating a conducive environment for improving efficiency and performance of the domestic steel sector. Having captive iron ore mine, fixation of price for finished steel products etc are, therefore, decided by the individual steel producers based on various market dynamics. The cost of production of steel is dependent on a cost of other factors such as cost of power, coking coal, labour cost, plant efficiency, logistic cost etc. and not on cost of iron ore alone.

(c) For ensuring adequate supply of iron ore to the domestic steel industries, Government has taken the following steps:-

(i) Notified Mines and Minerals (Development and Regulation) Amendment Act, 2015 which provide auction mechanism for grant of Mining Leases.
(ii) Imposed export duty @ 30% on Iron Ore Lumps/Fines above 58% Fe content.
(iii) Notified National Steel Policy 2017 with a view to encourage long term growth of domestic steel sector.

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